

# TECA – NEWS CLIPPING

(Energy Conservation : It Doesn't Cost. It saves)

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## Electricity consumption increases

The Hindu : April 8, 2019

### In the core city area, load has increased by 70 MW in March

Electricity demand has increased in the region by nearly 300 MW because of the rise in temperature and higher need for power in all segments, according to the Tamil Nadu Generation and Distribution Corporation.

Chief Engineer of Tangedco, Coimbatore region, N. Mani, says the average demand in the region, including Coimbatore, Tiruppur, and the Nilgiris districts, used to be 2,100 MW. It is now about 2,450 MW. Similarly, the average consumption used to be 41 million units and it is now 49 million units.

### 'Normal level'

The increase in demand during summer is normal and this year too the jump is at the normal level. The rise is mainly because of higher use of air conditioners, fans, and water pumping motors during the summer months and the hike is across the region, he says.

In the core city area here, the load has increased by 70 MW in March this year compared to the same period last year. This is also because of additional service connections given in the last one year.

In the case of consumption, between January and March this year, there is 1 % to 2 % increase, mainly because of the summer demand in Coimbatore city, an official of Tangedco added.

## India's top 10 states by installed solar power capacity

The Economic Times : April 5, 2019

*The government of India has already set an ambitious target to achieve 100 gigawatt by 2022*

India is at the cusp of a solar revolution, the government has already set an ambitious target to achieve 100 gigawatt (GW) by 2022. Keeping the target in mind, Indian states have already started ramping up their installed solar and wind powered capacity. *ETEnergyWorld* looks at the top 10 states by installed solar powered capacity. The data is provided by solar power consultancy firm Bridge To India.

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1. Karnataka

Karnataka tops the list of states with the highest installed solar power generation capacity in the country. The state's total solar capacity at the end of 2018 stood at 5,328 megawatt (MW). While, its total installed electricity generation capacity stood at 27,199 MW at the end of 2018, with solar sector's share at 19.58 per cent.

2. Telangana

Telangana houses the second-highest installed solar power generation capacity in the country. The state's solar capacity at the end of 2018 stood at 3,501 MW. Its total installed electricity generation capacity stood at 15,944 MW at the end of 2018, with solar sector's share at 22 per cent.

3. Rajasthan

Rajasthan houses the third-highest installed solar power generation capacity in the country. The state's solar capacity at the end of 2018 stood at 3,081 MW. Rajasthan's total installed electricity generation capacity stood at 21,833 MW at the end of 2018, with solar sector's share at 14.11 per cent.

4. Andhra Pradesh

Andhra Pradesh houses the fourth-highest installed solar power generation capacity in the country. The state's solar capacity at the end of 2018 stood at 2,829 MW. Andhra Pradesh's total installed electricity generation capacity stood at 23,726 MW at the end of 2018, with solar sector's share at 12 per cent.

5. Tamil Nadu

Tamil Nadu houses the fifth-highest installed solar power generation capacity in the country. The state's solar capacity at the end of 2018 stood at 2,055 MW. Tamil Nadu's total installed electricity generation capacity stood 30,447 MW at the end of 2018, with solar sector's share at 6.74 per cent.

6. Gujarat

Gujarat houses the sixth- largest installed solar power generation capacity in the country. The state's solar capacity at the end of 2018 stood at 1,607 MW. Gujarat's total installed electricity generation capacity stood at 31,382 MW at the end of 2018, with the solar sector's share at 5.12 per cent.

7. Madhya Pradesh

Madhya Pradesh houses the seventh-largest installed solar power generation capacity in the country. The state's solar capacity at the end of 2018 stood at 1,526 MW. Madhya Pradesh's total installed electricity generation capacity stood at 21,873 MW at the end of 2018, with the solar sector's share at 7 per cent.

8. Maharashtra

Maharashtra houses the eighth-largest installed solar power generation capacity in the country. The state's solar capacity at the end of 2018 stood at 1,311 MW. Its total installed electricity generation capacity stood at 43,779 MW at the end of 2018, with the solar sector's share at 3 per cent.

9. Uttar Pradesh

Uttar Pradesh houses the ninth-largest installed solar power generation capacity in the country. The state's solar capacity at the end of 2018 stood at 875 MW. Madhya Pradesh's total installed electricity generation capacity stood

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at 25,061 MW at the end of 2018, with the solar sector's share at 3.49 per cent.

#### 10. Punjab

Punjab houses the 10th-largest installed solar power generation capacity in the country. The state's solar capacity at the end of 2018 stood at 845 MW. Punjab's total installed electricity generation capacity stood at 13,432 MW at the end of 2018, with the solar sector's share at 6.29 per cent.

### **Average spot power price falls 22% to Rs 3.12 per unit in March at IEX**

**The Economic Times : April 6, 2019**

*The total traded volume in Day Ahead Market (DAM) last month declined 15 per cent to 3,356 million units (MU) as against 3,955 MU in March 2018.*

Average spot powerprice fell 22 per cent at Rs 3.12 per unit in March at Indian Energy Exchange (IEX) compared to Rs 4.02 per unit in the same month last year due to lower demand.

The total traded volume in Day Ahead Market (DAM) last month declined 15 per cent to 3,356 million units (MU) as against 3,955 MU in March 2018, according to an IEX statement.

The Term-Ahead Market (TAM) traded 246.34 MU in the reported month, registering a surge of 78 per cent over 138 MU traded in March 2018.

However, the traded volume in DAM in March was up 20 per cent from 2,794 MU in February 2019.

The average Market Clearing Price (MCP) at Rs 3.12 per unit registered 22 per cent decline over Rs 4.02 per unit in March 2018 and at par with Rs 3.08 per unit in February 2019," the statement said.

According to the statement, DAM experienced transmission congestion mainly towards import of power by southern states which led to volume loss of 120 MU representing 3 per cent of the total traded volume on the exchange.

All India peak demand touched 169 GW on March 29, 2019, registering 5 per cent increase over highest peak demand of 160 GW registered in March 2018 (as per National Load Dispatch Centre report).

The percentage time congestion was 35.6 per cent. 'One Nation, One Price' was realised only for 3 days during the month. On daily average basis, 735 participants traded in the market during the month.

In fiscal 2018-19, the DAM cumulatively traded 50,063 MU as compared to 44,842 MU in 2017-18.

On all India basis, the energy supplied in March 2019 registered increase of 4 per cent at 110 BU (billion units) from 106 BU in the year-ago month.

The total traded volume at IEX (DAM and TAM) stood at 3,602 MU in March 2019, registering 25 per cent increase from the previous month and 12 per cent decline from the year-ago period.

In the entire 2018-19, the total traded volume was 52,168 MU, which was 13 per cent more compared to 46,215 MU traded in the previous fiscal.

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## Freedom of choice: Open access gets leg-up from states' solar policies

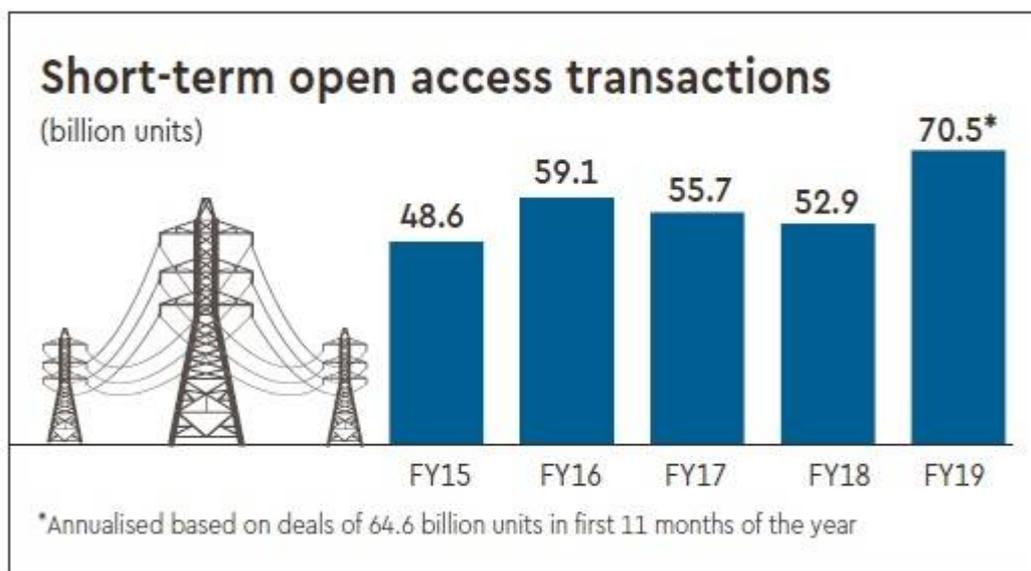
Financial Express : April 8, 2019

Open access is the non-discriminatory use of transmission and distribution infrastructure of the licensees by consumers with demand greater than or equal to 1 MW for procuring electricity from the source of their choice.

Open access by industrial and other bulk consumers of electricity has picked up in the current year, helped by renewable energy policies of several states such as Karnataka, Uttar Pradesh and Haryana which have removed extra costs (surcharges) imposed on such transactions from solar and wind units. In the April-February period this year, open access transactions touched an all-time high of 65 billion units (bu) and the year may have ended with such deals of over 70 bu, up a third over FY18 (see chart).

Open access is the non-discriminatory use of transmission and distribution infrastructure of the licensees by consumers with demand greater than or equal to 1 MW for procuring electricity from the source of their choice. Put simply, it allows a consumer to circumvent the discom and buy power directly from the power plant of his choice via bilateral deals or spot market purchases on the exchanges.

While open access has been legal under Electricity Act 2003, spot purchases commenced only in 2008 after the Central Electricity Regulatory Commission came out the necessary guidelines. Open access hasn't thrived as envisaged by policymakers owing to various imposts on such purchases by discoms, inflating the cost of electricity tied up via this route.



"The jump in open access volumes comes from completed projects initiated under state renewable energy policies of earlier years, which had generous terms for open access," PwC partner Kameswara Rao said.

In order to achieve the target of having 175 GW of renewable energy capacity by 2022, many states such as Karnataka, UP and Haryana have issued attractive renewable energy policies, providing heavy discounts on open access transactions from renewable energy capacities.

According to Icre vice-president Girishkumar Kadam, about 1,200 MW of solar capacity has come up in Karnataka in FY18 itself, thanks to the favourable policy. But Kadam pointed out, only about 2,500 MW of solar capacity is available for open access, limiting the scope of rise in such power transactions in the future.

Similar sentiment was echoed by Rao, who said "these policies have certain sunset clauses, and with discoms naturally reluctant to lose high-paying consumers, the future growth of open access could be weak". In a discussion paper on open access released by the power ministry

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earlier, it suggested the states to follow a uniform formula to fix the additional surcharge for such transactions. However, the states did not really pay any heed to such proposals.

The process to procure power through open access remains fraught with numerous roadblocks posed by state-owned power distribution companies (discoms) who don't want to lose their high-paying commercial and industrial consumers. Apart from the cumbersome approval process, state electricity regulators levy substantial open access charges—ranging between Rs 1 – Rs 2.5/unit—which makes it unviable for large consumers to buy electricity from spot markets through open access.

Apart from that, a number of major states such as Gujarat, Rajasthan, Andhra Pradesh, Maharashtra and Tamil Nadu are levying an additional surcharge, which increases the power tariffs through open access by another Rs 0.5 – Rs 1.5/unit.

In fact, the Electricity Act, 2003 says that surcharge and cross subsidies would have to be progressively reduced to encourage buyers (with more than 1 MW consumption) to purchase power from the electricity market instead of the discoms through open access. Commercial and industrial consumers anyway pay hefty power tariffs as high as Rs 8-12/unit, because of 'cross-subsidisation', which is a mechanism where the price of electricity for the aforementioned segments are kept higher in order to compensate for lower agricultural power tariffs. The average cost of power supply at the national level was Rs 5.58/unit in FY18.

## **No Additional Surcharge for Captive Power Projects, Rules APTEL in Maharashtra**

**Mericom : April 3, 2019**

In September 2018, MERC imposed ₹1.25/kWh on users of group captive power

The Appellate Tribunal for Electricity (APTEL) has ruled that no additional surcharge can be levied on captive users, a ruling that sets aside another order passed by Maharashtra Electricity Regulatory Commission (MERC) in September 2018.

Earlier, JSW Steel Limited and Sai Wardha Power Generation Limited, petitioners, in this case, had argued that the procedure with which the MERC levied the additional surcharge of ₹1.25 (~\$0.018)/kWh on users of group captive projects was restricted to carrying out a mid-term performance review. Therefore, the commission could not have levied the surcharge.

APTEL noted the argument and said that mid-term review is just a comparison between the actual operational performance (factual) versus the approved forecast, and the MERC has ignored its regulations by levying the surcharge when in the forum of regulators which includes the MERC, there was common understanding that additional surcharge is not leviable for captive users/consumers.

The petitioners have also argued that the levy of additional surcharge is in contravention of the provisions of the Electricity Act as the MERC has distinguished between captive users and group captive.

The petitioners also cited state commission's tariff order of 2016 where it had mentioned that the captive users are not liable to pay an additional surcharge. They argued that the essential condition for the sale of electricity, which requires the existence of two persons, one being a seller and another being purchaser, is absent in the case of group captive users.

APTEL differed with the MERC's opinion that there are different types of captive users and said, *"There cannot be any distinction between an individual captive consumer and group captive consumers or original captive consumers and converted captive consumers."*

The petitioner argued that the surcharge could not be "on charges of wheeling" as the wheeling charges are for the use of the distribution system owned by the distribution

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licensee. In this case, captive users are connected by the state transmission utility and not the distribution system.

The MERC had argued that the levy of additional surcharge on captive consumers is permitted. However, it was exempted for a certain period. Therefore, this cannot be the basis for not introducing such a levy of additional surcharge.

It further argued that the levy of additional surcharge was imposed as the commission felt that it was a case of stranded capacity on account of open access. MERC said, *"Through additional surcharge, the only fixed cost of stranded generating capacity attributable to open access consumers is being recovered so that it should not get loaded on the other consumers."*

To this, APTEL replied that if a consumer is not a captive consumer, he has to pay the additional surcharge. However, it is not inclined to accept that captive consumers have to pay an additional surcharge on wheeling charges when they switch over from distribution licensee. Therefore there is no need to deliberate on the facts and figures concerning stranded capacity.

Recently, in a similar order, the MERC rejected a petition filed by Shree Cement requesting amendments to Distribution Open Access Regulations, 2016 and allowing the use of open access facility and banking of power from a co-located renewable energy power project simultaneously.

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